

STATE OF CALIFORNIA
ENVIRONMENTAL PROTECTION AGENCY
DEPARTMENT OF TOXIC SUBSTANCES CONTROL

In the Matter of:

Former Aerojet Fine Chemicals, LLC
U. S. Highway 50 and Aerojet Road
Sacramento, CA 95813-6000

GenCorp Inc

Respondent.

Docket No. HWCA 2006 1284

Consent Agreement

Health and Safety Code
Section 25187

The State Department of Toxic Substances Control (Department) and GenCorp Inc. (GenCorp), on behalf of former Aerojet Fine Chemicals, LLC (AFC), enter into this Consent Agreement and agree as follows:

1. AFC was a contract manufacturer of custom pharmaceutical intermediates and active pharmaceutical ingredients. AFC was a wholly-owned subsidiary of GenCorp. The former AFC facility consists of approximately 200 acres located at U. S. Highway 50 and Aerojet Road, Rancho Cordova, California (AFC Facility).

2. The Department inspected the AFC Facility in June and October 2004 and issued an inspection report to AFC on September 2, 2005. Based on the Department's inspection of the AFC Facility and the information available to the Department, the Department alleges that there was unauthorized treatment of hazardous waste in violation of Health and Safety Code section 25201(a) with regard to operations conducted at the AFC Facility. GenCorp disputes that these operations constituted treatment of hazardous waste that required authorization or were otherwise subject to the Hazardous Waste Control Law, Health and Safety Code, division 20, chapter 6.5, and its implementing regulations.

3. The assets of the AFC business were sold to AMPAC Fine Chemicals LLC (AMPAC) effective November 30, 2005. AMPAC is utilizing the former AFC' s assets to manufacture custom pharmaceutical intermediates at the former AFC Facility.

4. GenCorp neither admits nor denies any statements of fact or law set forth in this Consent Agreement. Further, GenCorp disputes any liability, makes no admissions, and waives no rights, objections, or arguments it may have, except as is explicitly set forth herein.

5. Jurisdiction exists pursuant to Health and Safety Code section 25187. In order to avoid the expense of litigation, GenCorp waives any right to a hearing with regard to the violations alleged in Paragraph 2 of this Consent Agreement.

6. This Consent Agreement shall constitute full settlement as to GenCorp, the former AFC and all GenCorp subsidiaries of the violations alleged in paragraph 2 of this Consent Agreement, and any violation that could have been brought against GenCorp, the former AFC or any GenCorp subsidiary regarding AFC' s operations at the AFC Facility based on the information known to the Department as of the Effective Date of this Consent Agreement. This Consent Agreement shall also constitute full settlement as to GenCorp, the former AFC and all GenCorp subsidiaries of any potential violation of Section 5, Injunctive Relief, of the Stipulation for Entry of Final Judgment, and Final Judgment and Permanent Injunction Pursuant to Stipulation, Sacramento County Superior Court Case No. 04AS01215, entered into between the People of the State of California and the Department and GenCorp and its subsidiaries on March 25, 2004, regarding AFC' s operations at the AFC Facility based on the information known to the Department as of the Effective Date of this Consent Agreement. This Consent Judgment does not limit the Department from taking appropriate enforcement action concerning other violations, if any.

7. GenCorp agrees to pay the sum of \$114,000.00 within 30 days of the Effective Date of this Consent Agreement in the following manner:

(a) As a penalty, GenCorp shall pay \$37,000.00 to the Department. The payment shall be made with a check payable to "Department of Toxic Substances Control" and sent together with a copy of this Consent Agreement to:

Accounting Office
Department of Toxic Substances Control
P. O. Box 806
Sacramento, California 95812-0806

With a copy simultaneously to:

Ms. Charlene Williams, Branch Chief
Statewide Compliance Division
Department of Toxic Substances Control
700 Heinz Avenue, Suite 200
Berkeley, California 94710

(b) As a Supplemental Environmental Project, GenCorp shall pay \$40,000.00 to the Environmental Education Account of the California Environmental Protection Agency as established under the authority of Public Resources Code section 71305. The payment shall be made with a check payable to "Environmental Education Account (Fund 8020)" and sent together with a copy of this Consent Agreement to:

Ms. Judy Tanimoto, Fiscal Officer
California Environmental Protection Agency
P. O. Box 2815
Sacramento, California 95812-2815

With a copy simultaneously to:

Mr. Don Owen, Assistant Secretary
for Fiscal and Administrative Programs
California Environmental Protection Agency
P. O. Box 2815
Sacramento, California 95812-2815

And to:

Ms. Charlene Williams, Branch Chief
Statewide Compliance Division
Department of Toxic Substances Control
700 Heinz Avenue, Suite 200
Berkeley, California 94710

(c) As reimbursement for the Department' s costs incurred in this matter, GenCorp shall pay \$37,000.00 to the Department. The payment shall be made with a check payable to "Department of Toxic Substances Control" and sent together with a copy of this Consent Agreement to:

Accounting Office
Department of Toxic Substances Control
P. O. Box 806
Sacramento, California 95812-0806

With a copy simultaneously to:

Ms. Charlene Williams, Branch Chief
Statewide Compliance Division
Department of Toxic Substances Control
700 Heinz Avenue, Suite 200
Berkeley, California 94710

If GenCorp fails to make the payment as provided above, GenCorp agrees to pay interest at the rate established pursuant to Health and Safety Code section 25360.1 and to pay all costs incurred by the Department in pursuing collection including attorney's fees.

8. The Effective Date of this Consent Agreement is the date it is signed by the Department.

Dated: December 20, 2006

Original signed by Chris Conley
Chris Conley
Vice-President, Environmental Health and Safety
GenCorp Inc

Dated: December 21, 2006

Original signed by Charlene Williams
Charlene Williams, Branch Chief
Statewide Compliance Division
Department of Toxic Substances Control